

Net tangible assets report and performance update

September 2017

Net tangible assets per share			CBG Capital	
	Aug -17	Sep - 17	ASX Code	CBC
NTA pre-tax	\$0.9578	\$0.9676	Listing date	19 December 2014
NTA post-tax*	\$0.9577	\$0.9667	Shares on issue	25.0 million
*Please note that the post-tax figures are theoretical, assuming that all holdings in the portfolio are sold and then tax paid on the gains that would arise on this disposal.			Benchmark	S&P/ASX 200 Accumulation Index
			Number of stocks held	36

Market commentary

The Australian equity market finished flat in September, with the S&P/ASX 200 Accumulation Index returning 0.0%. Global equity markets were largely positive, but a 20% fall in the iron ore price and weakness in the telecommunications sector were a drag on the local market overall.

Australian economic data generally surprised to the upside in the month, with Q2 GDP growth lifting to 0.8% quarter on quarter, after a soft 0.3% in the 1Q. Housing activity, jobs growth and business confidence were all strong, while retail sales were below expectations. Housing activity continues to prove resilient, with a moderate reduction in building approvals to date being entirely driven by the apartments sector.

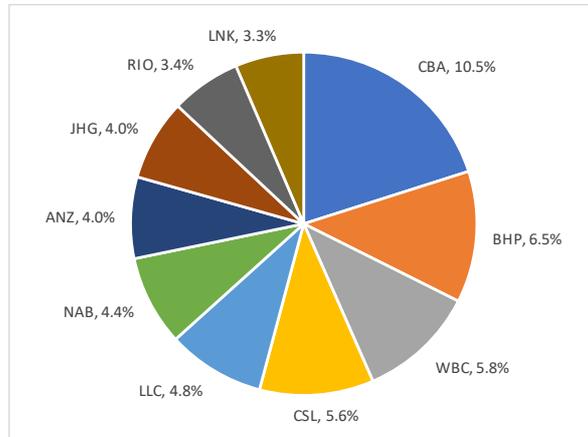
Key international events in the month including the Federal Reserve announcing it would begin to reduce the US\$4.5 trillion balance sheet it has built up since the GFC i.e. the commencement of Quantitative Tightening. U.S. President Trump also announced a proposed framework for corporate tax cuts and, in Europe, German Chancellor Angela Merkel's CDU-CSU alliance won another term in government.

Across international equity markets, returns were: S&P500 +1.9%; German Dax +6.4%; FTSE 100 -0.8%; French CAC 40 +4.8%; Shanghai Composite -0.4%; Nikkei 225 +3.6%, NZX 50 +1.4%.

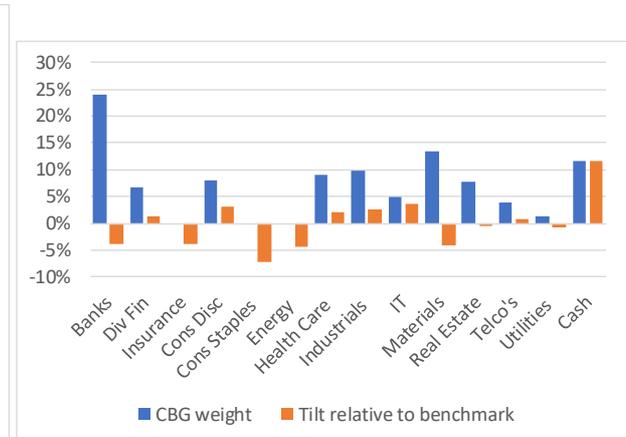
Across Australian industry sectors, Healthcare (+2.2%), Banks (+1.4%) and Energy (+1.2%) outperformed, while Telecoms (-4.6%), Staples (-1.9%) and Materials (-1.5%) lagged.

Portfolio overview (as at 30 September 2017)

Top 10 holdings



Sector weights



Portfolio commentary

The strongest relative contributors within the portfolio in the month were Lend Lease (**LLC**), Speedcast (**SDA**) and HUB 24 (**HUB**). The biggest detractors were Ramsay Healthcare (**RHC**) and Netcomm Wireless (**NTC**).

Lend Lease (4.8% weight) returned 10.3% after the company provided updates on both its Americas division and major Asian developments, highlighting the medium and long-term growth potential for offshore segments.

Speedcast (2.9% weight), a provider of satellite based telecommunications, returned 10.0% on expectations that offshore oil and gas rig counts have stabilised and following media speculation of a takeover approach.

HUB 24 (1.6% weight) an investment management platform provider, returned 19.9% following a strong result in August, which highlighted the significant long-term growth potential of the business.

HUB currently has approximately a 0.8% market share of platform funds under administration in Australia, but is winning over 10% of industry inflows. HUB's platform ranked equal first for planner satisfaction in the most recent Investment Trends survey, together with Netwealth.

Ramsay Healthcare (2.5% weight) detracted from performance, returning -7.7% after the company's guidance for FY18 NPAT growth of 8-10% fell short of market expectations and on concerns of a modest earnings impact from anticipated cuts to the prostheses pricing list. The portfolio position was reduced in October, given our expectation that some headwinds will persist in the medium term.

Netcomm Wireless (0.4% weight) returned -20.9% on reducing confidence in the timing and quantum of earnings from recent major contract wins.

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Boardroom

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